



# M&A Deal Review

## Q1-Q3 2019 MENA Region

### Regional Deal Snapshot

Merger & Acquisition (M&A) activity in the MENA region reached US\$ 87.2 billion during the first 3 quarters of 2019 (Q1-Q3 2019) – a record high by deal value. This is more than 5 times the deal value of US\$ 15 Bn during the same period last year. This significant increase in deal value was primarily driven by the ongoing acquisition of a 70% equity stake in Saudi Basic Industries Corp (SABIC) by Aramco (Deal Size – US \$69.1 Bn).

In terms of deal count, this period witnessed an increase of 11% compared to the same period last year (a total count of 192 deals across sectors).



**192**

Total Deal Volume  
(Disclosed & Undisclosed)

**US \$87.2 Bn**

Total Disclosed  
Deal Value

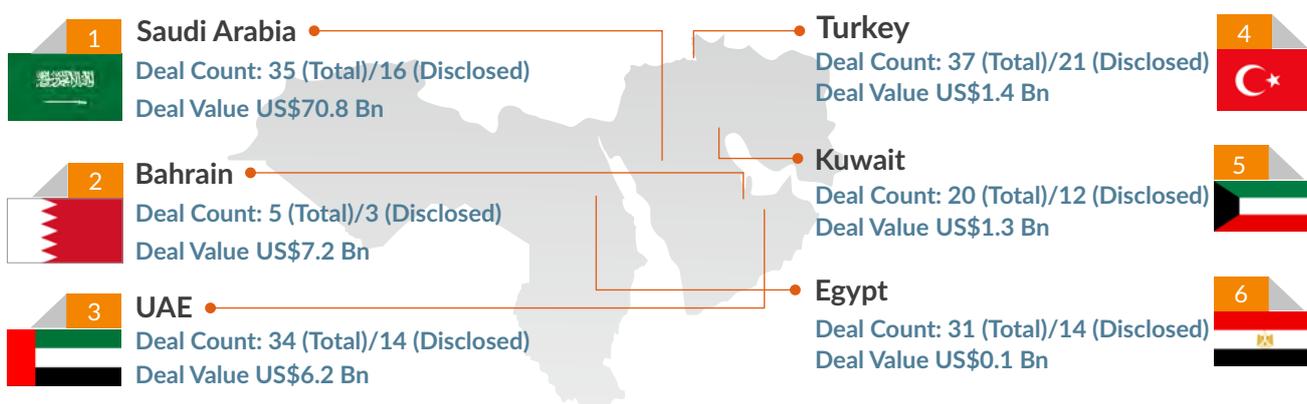
**Energy**

Sector with Highest  
M&A Activity by Deal Value

## Domestic M&A Deals Trend



## Domestic Deal Activity by Country<sup>3</sup>



## Domestic Deal Activity by Sector<sup>3</sup>



## Cross-Border Deal Activity



### Notes:

- 1) Q1-Q3 2019 deals include closed and announced deals. For the historical years from 2015-2018 only closed deals have been considered.
- 2) All deal values and number of disclosed deals are based on publicly available data.
- 3) Deal activities by country and sector reflect the deals of the target country and the target sector respectively. Kindly note that rankings under the "Domestic Deal Activity By Country" section is based on deal value for disclosed deals.
- 4) Energy sector classification includes deals in the oil & gas, petrochemical and energy sectors.

Sources: Capital IQ Database, Bloomberg, Secondary Research, Protiviti Analysis.

## Key M&A Trends

1

Global trade tensions and economic uncertainties drove companies to restrict their expansions within the region, increasing the domestic deals count

2

Participation of sovereigns and national oil companies in the region's M&A activities with a preference for large value deals

3

Increase in consolidation activities within the banking & financial services sector. It is estimated that nearly 20 financial institutions (total assets exceeding US\$1 trillion) have been in various stages of deal negotiations during the period Q1-Q3 2019

4

Increased capital allocation in the technology sector as companies seek to acquire digital-driven businesses in the MENA region



### Sector Outlook

- Energy sector witnessed the highest M&A activity by deal value recorded at US\$ 71.5 Bn. The ongoing acquisition of 70% equity stake in SABIC by Saudi Aramco is the largest deal in the MENA region valued at \$69.1 Bn, driving the overall deal value.
- Industrial sector witnessed the highest M&A activity by deal count with 48 deals.



### Geographic Outlook

- Saudi Arabia recorded the highest M&A activity by deal value, comprising approximately 81% of the total deal value in the region at US\$ 70.8 Bn.
- In terms of deal count, Turkey recorded the highest number of deals followed by KSA and UAE.

## M&A Marketplace (Potential Deals in the Region)



### Project Sweet

**Sector:** F&B Retail

**Description:** Sellers looking to divest majority equity stake in the target, a leading sweets company in the GCC.



### Project Nourish

**Sector:** F&B Processing

**Description:** Sellers looking to divest a majority equity stake in a meat processing factory in the GCC.



### Project Care

**Sector:** Healthcare

**Description:** Sellers looking to divest a majority equity stake in the target, a UAE based home care provider.



### Project Clean

**Sector:** Waste Management

**Description:** Leading company in waste management seeking to acquire similar companies in Middle East and India.



### Project Diverse

**Sector:** Diversified

**Description:** Leading family office seeking to acquire businesses in healthcare, event management and logistics sectors in the region.

## How we can help

We offer a range of bespoke transaction services in the region with our team of highly qualified professionals, having an extensive experience across industries.

Transaction Support	Valuation	IPO	Other Transaction Services
<ul style="list-style-type: none"><li>Financial Due Diligence</li><li>Buy-side, Sell-side and Management Buy Out/In Advisory</li><li>Financial Modelling (preparation and review)</li><li>Private Fund Raising</li></ul>	<ul style="list-style-type: none"><li>Business Valuations</li><li>Impairment Testing (assets goodwill and intangibles etc.)</li><li>Purchase Price Allocations</li><li>Intangibles Valuations</li></ul>	<ul style="list-style-type: none"><li>IPO Readiness Assessment and Reporting Accountant Work</li><li>Preparation of Prospectus</li><li>Registration Process Support</li></ul>	<ul style="list-style-type: none"><li>Bid Preparation Support</li><li>Divestments and Disposals</li><li>Feasibility Studies and Business Plan Support</li><li>Market Study and Research Support</li><li>Privatization</li></ul>

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Protiviti has served more than 60 percent of Fortune 1000® and 35 percent of Fortune Global 500® companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. In the MENA Region, Protiviti's member firm is a leading provider of business consulting, internal audit, risk management, technology, forensic and fraud investigation, human capital, managed business services, data analytics, digital transformation, and transaction services. Protiviti member firms are separate and independent legal entities, are not agents of other firms in the Protiviti network, and have no authority to obligate or bind other firms in the Protiviti network.

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